

Q1 2022 Report

April 27, 2022

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Agenda

1. Group highlights
2. Business Area Service
3. Business Area Industrial Equipment
4. Business Area Port Solutions
5. Cash flow and balance sheet
6. Appendix

Q1 2022 Highlights

Q1 2022 was mixed – Konecranes booked record-high orders, but profitability declined

- Group adj. EBITA-% declined Y/Y to 6.6% (8.0%) due to the delayed sales, Industrial Equipment's business being affected by the inflation and the timing of Port Solutions' deliveries
- Service continued its positive profitability trajectory and posted an all-time high Q1 adj. EBITA-% of 17.4%

Despite the war in Ukraine and the pandemic, the overall market sentiment continued good in Q1

- Given the increased inflation and material availability concerns, the war in Ukraine has enhanced market volatility and unpredictability
- Record-high order intake in Q1: orders grew 32.4% Y/Y in comparable FX surpassing €1 billion, short-cycle product order intake returned to a growth path
- Timing of customer deliveries, component shortages and other supply chain constraints continued to affect revenues in Q1, sales decreased 6.7% Y/Y in comparable FX
- As a result of our record-high order intake, our order book broke again a new record of nearly €2.5 billion at the end of March

Q2 demand outlook updated & full-year 2022 guidance reiterated EUR 1.25 dividend per share proposed for 2021

Service and Industrial Equipment Business Areas under one leadership starting from June 1, 2022



The impact of the war in Ukraine on Konecranes

Konecranes condemns Russia's aggression towards Ukraine. We are saddened and upset by the war and deeply concerned for our Ukrainian employees and their families.

Konecranes in Ukraine

- Over 400 employees in Ukraine and a crane and component factory in Zaporizhzhia, production stopped and redirected to Konecranes' other manufacturing sites
- In Q1, Konecranes impaired all Ukraine related assets, including inventories and receivables

Konecranes is not taking any new business from Russia

- In Q1, Konecranes wrote off EUR 78.9 million of orders from Russia and reversed EUR 32.1 million of sales to Russia
- The orders had been booked and the project revenues recognized prior to 2022

In Q1, the EBIT impact of these impairments and the cancelled project sales was approximately €47 million and the full amount has been included in adjustments

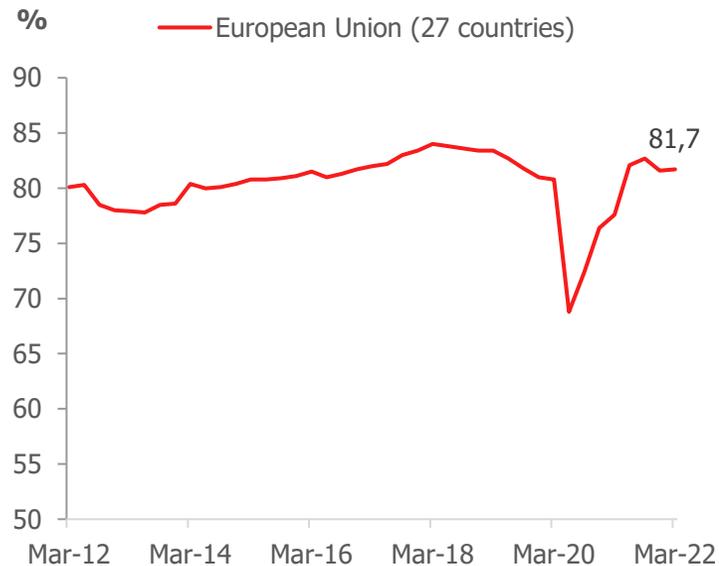


Key figures

Key figures	1-3/ 2022	1-3/ 2021	Change %	Change % At comparable currencies	1-12/ 2021
Orders received, MEUR	1,029.6	762.8	35.0	32.4	3,175.5
Order book at end of period, MEUR	2,485.2	1,866.7	33.1	30.7	2,036.8
Sales, MEUR	672.1	704.0	-4.5	-6.7	3,185.7
Adj. EBITDA, MEUR	66.3	79.0	-16.1		398.9
Adj. EBITDA, %	9.9%	11.2%			12.5%
Adj. EBITA, MEUR	44.1	56.2	-21.7		312.2
Adj. EBITA, %	6.6%	8.0%			9.8%
Operating profit (EBIT), MEUR	-19.5	37.5	-152.1		220.0
Operating margin (EBIT), %	-2.9%	5.3%			6.9%
EPS, basic. EUR	-0.26	0.23	-212.9		1.86
Free cash flow, MEUR	2.6	17.7			137.7
Net debt, MEUR	545.3	569.2	-4.2		541.6

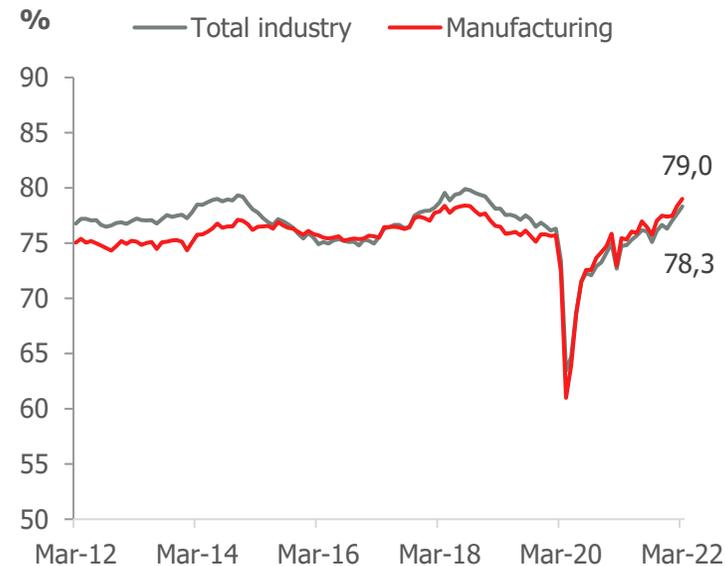
Market environment – Service and Industrial Equipment

Capacity utilization rate – EU



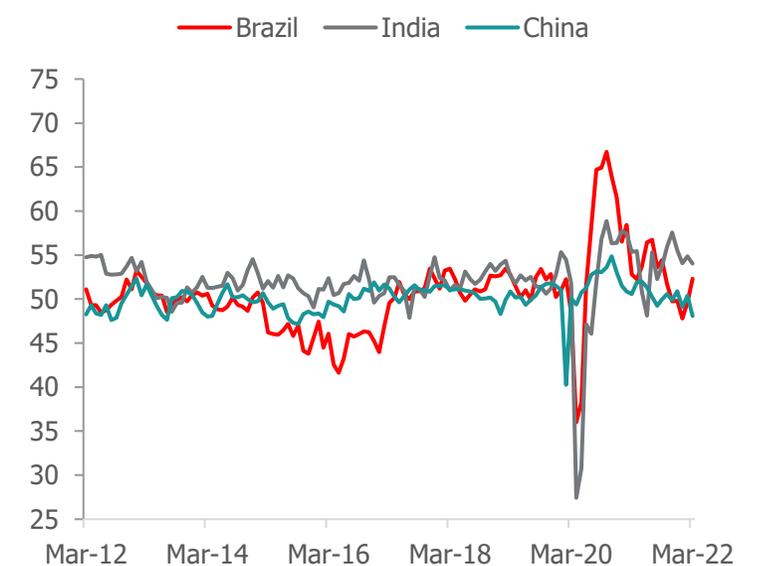
- In the EU, the manufacturing capacity utilization rate remained steady in Q1 2022, and it was at a similar level as at the end of 2021
- The eurozone manufacturing PMI signaled expansion in Q1 although it dropped to 56.5 in March

Capacity utilization rate – USA



- In the US, manufacturing capacity utilization rate continued to rise, in March it had increased slightly above the recent peaks of mid-2018
- The US manufacturing PMI was in improvement in January-March, and rose to 58.8 at the end of the quarter

Manufacturing PMIs – Brazil, India & China

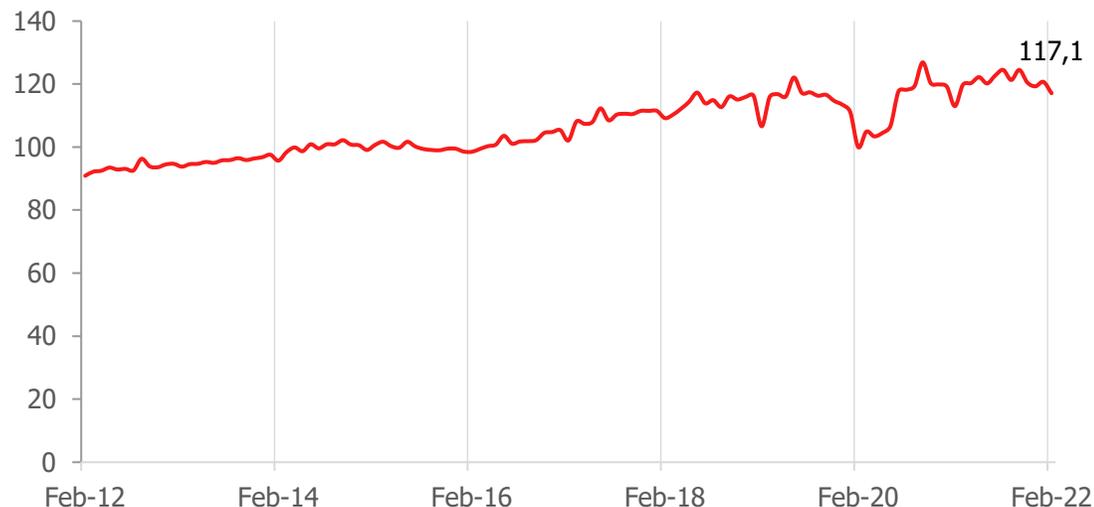


- In the emerging markets, March's PMI was in expansion territory in Brazil and India
- In China, the PMI was in deterioration in March as it was negatively impacted by COVID-19

Market environment – Port Solutions

RWI/ISL Container Throughput Index

Index (2015 = 100)



Monthly index change Y/Y

%

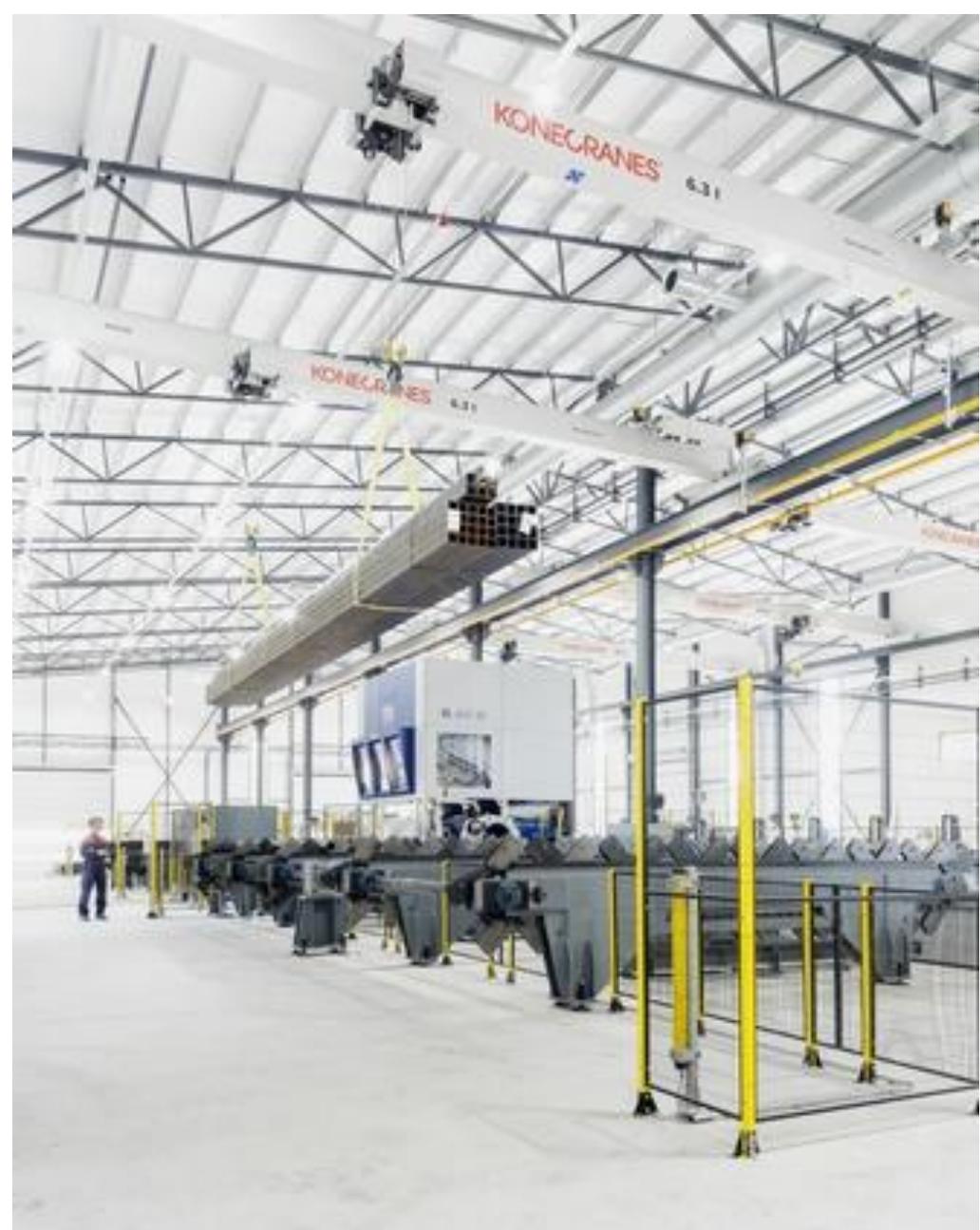


- The global container throughput began 2022 at a relatively strong level although it was lower than it had been during 2021 due to the decline in the end of the year
- The global container throughput dropped further in February and the fluctuation witnessed in 2021 continued

- At the end of February, global container throughput was approximately 4 percent higher than the year before

Q2 Demand outlook

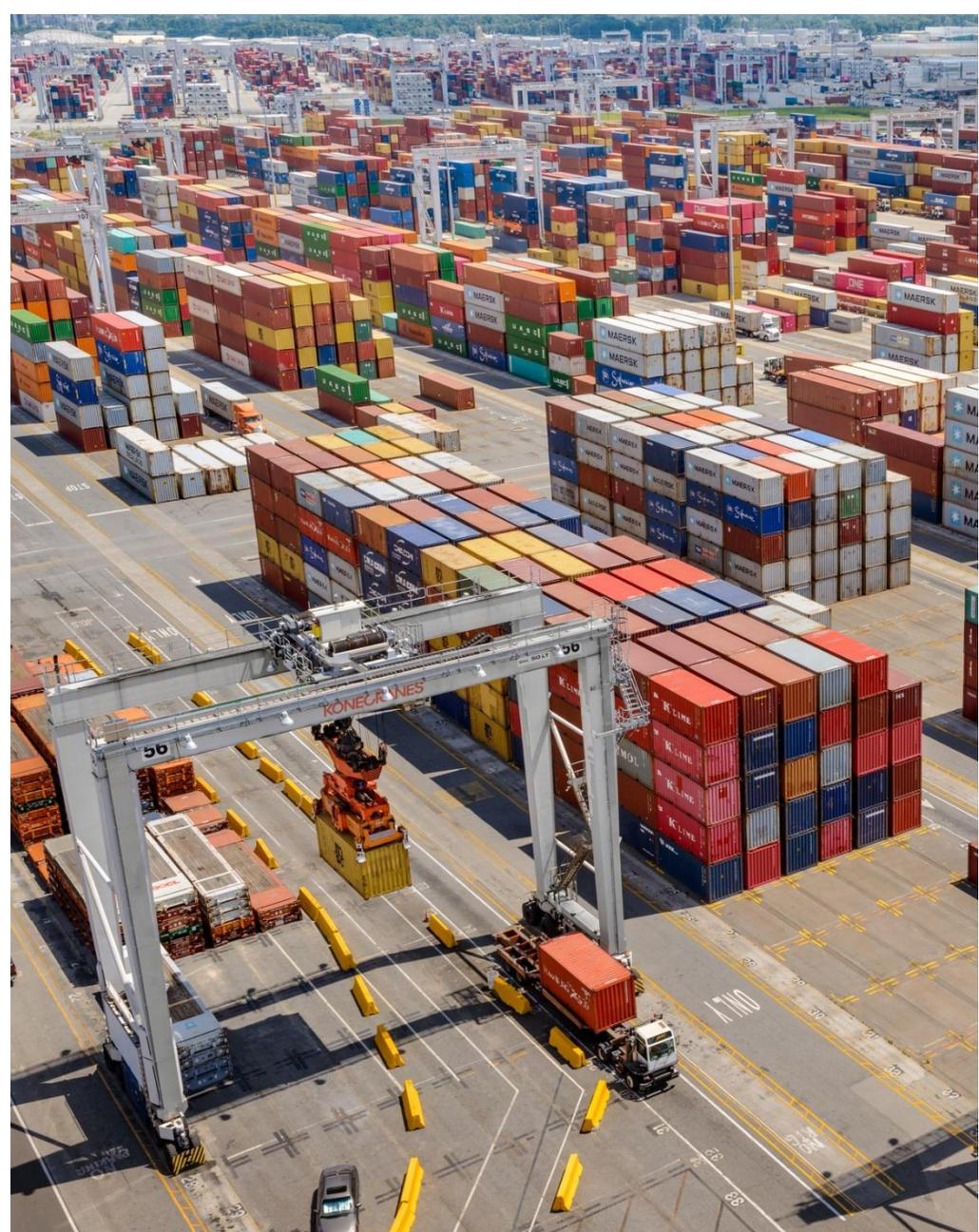
- The worldwide demand picture remains subject to volatility due to the war in Ukraine having increased inflation and material availability concerns. Also the COVID-19 pandemic continues.
- In Europe and North America, the demand environment within the industrial customer segments is on a healthy level. In Asia-Pacific, the demand environment remains below Europe and North America.
- Global container throughput continues high, and long-term prospects related to global container handling remain good overall.



Financial guidance

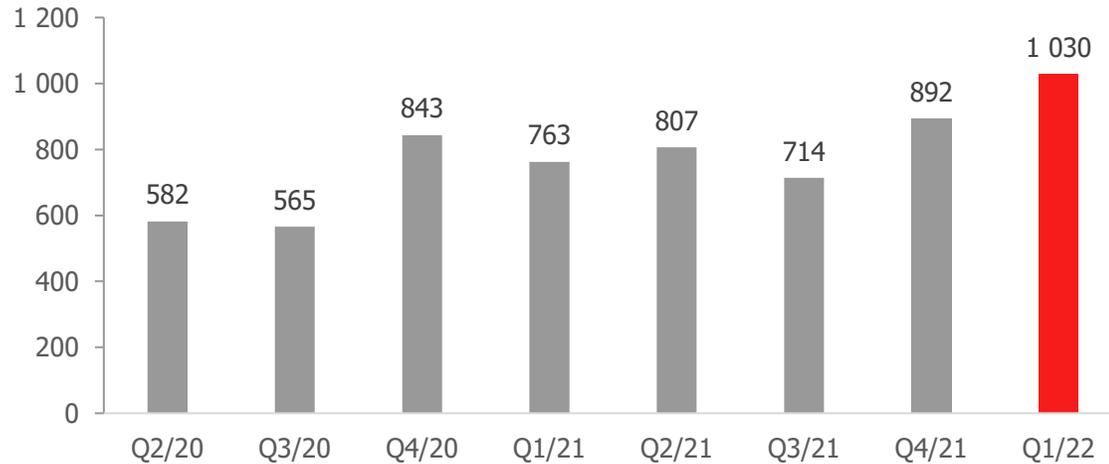
Financial guidance for 2022

- Net sales expected to increase in full-year 2022 compared to 2021
- Full-year 2022 adjusted EBITA margin expected to improve from 2021



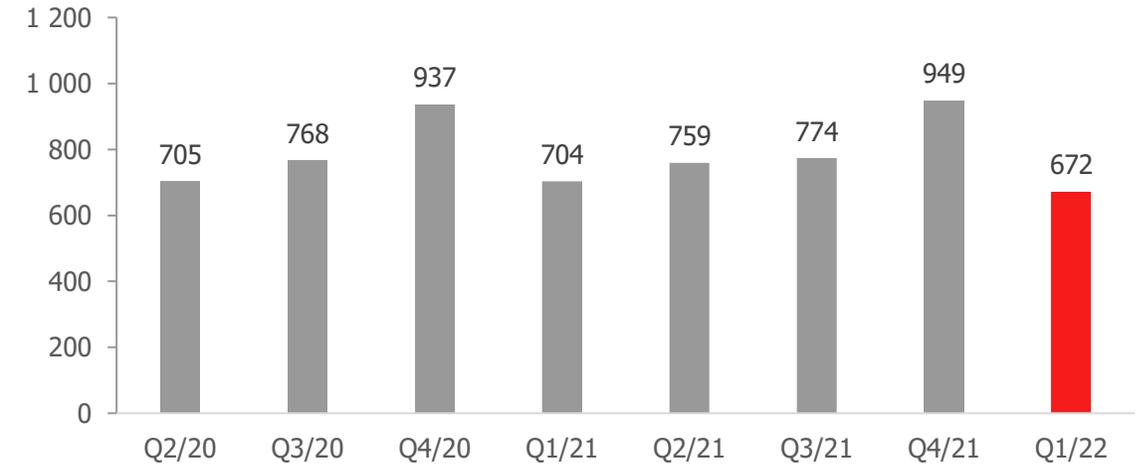
Q1/22 Group order intake and sales

Group order intake, MEUR



- Order intake increased of 35.0% to EUR 1,029.6 million (762.8), 32.4% on a comparable currency basis
- Orders received increased in the Americas, EMEA and APAC
- Orders received increased in Service (10.9%), Industrial Equipment (31.6%) and in Port Solutions (54.8%)

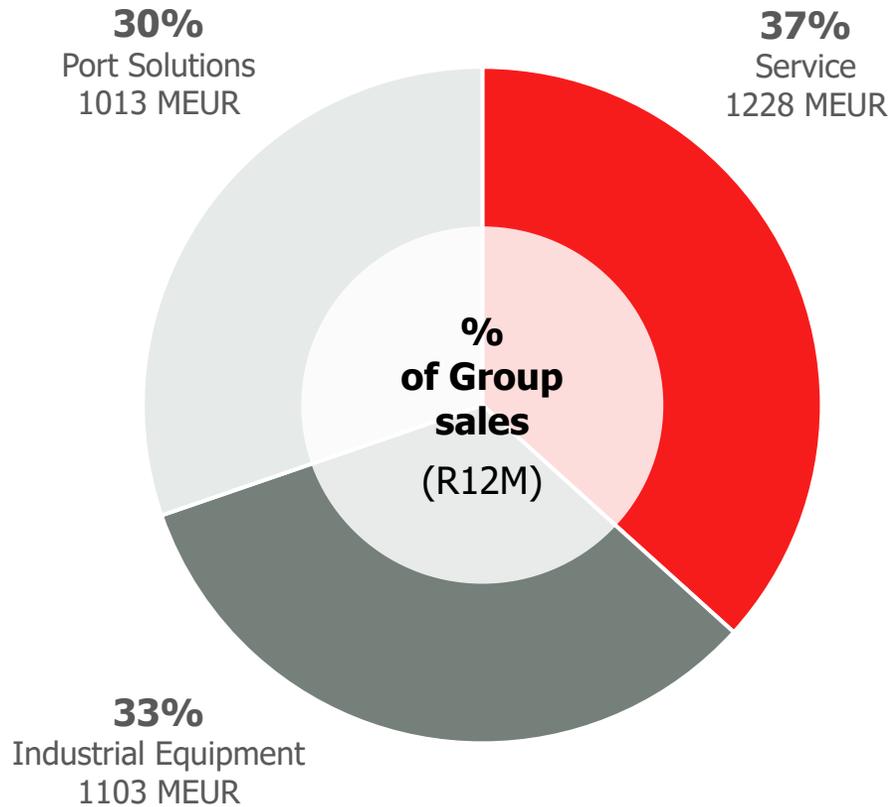
Group net sales, MEUR



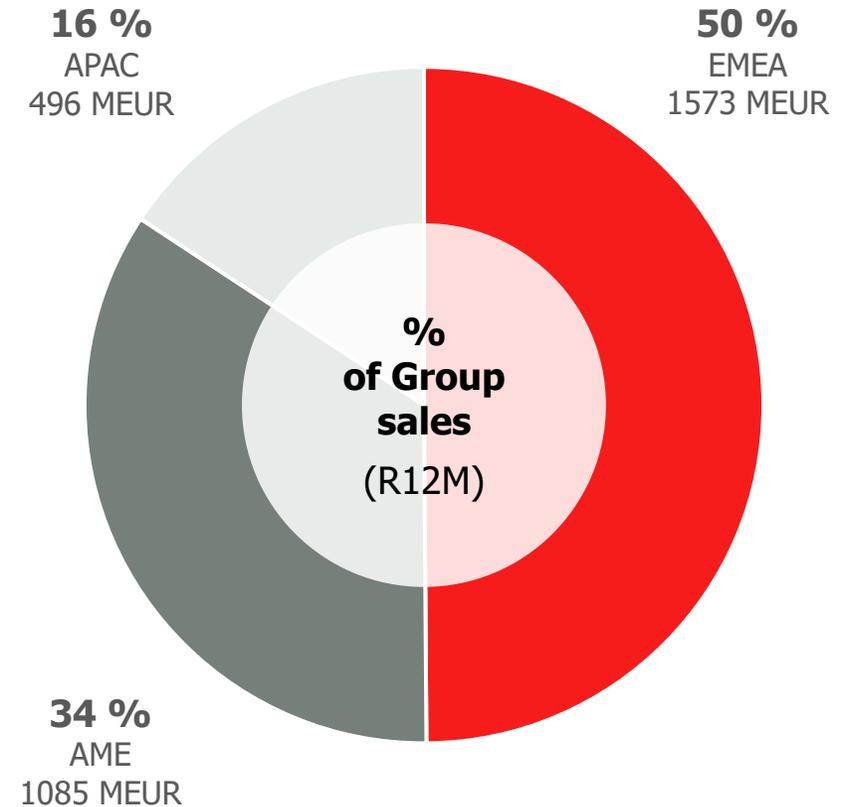
- Sales decreased 4.5% to EUR 672.1 million (704.0), -6.7% on a comparable currency basis
- Sales increased in Service (8.2%) and Industrial Equipment (6.4%) but decreased in Port Solutions (-25.4%)

Group sales by business area and region

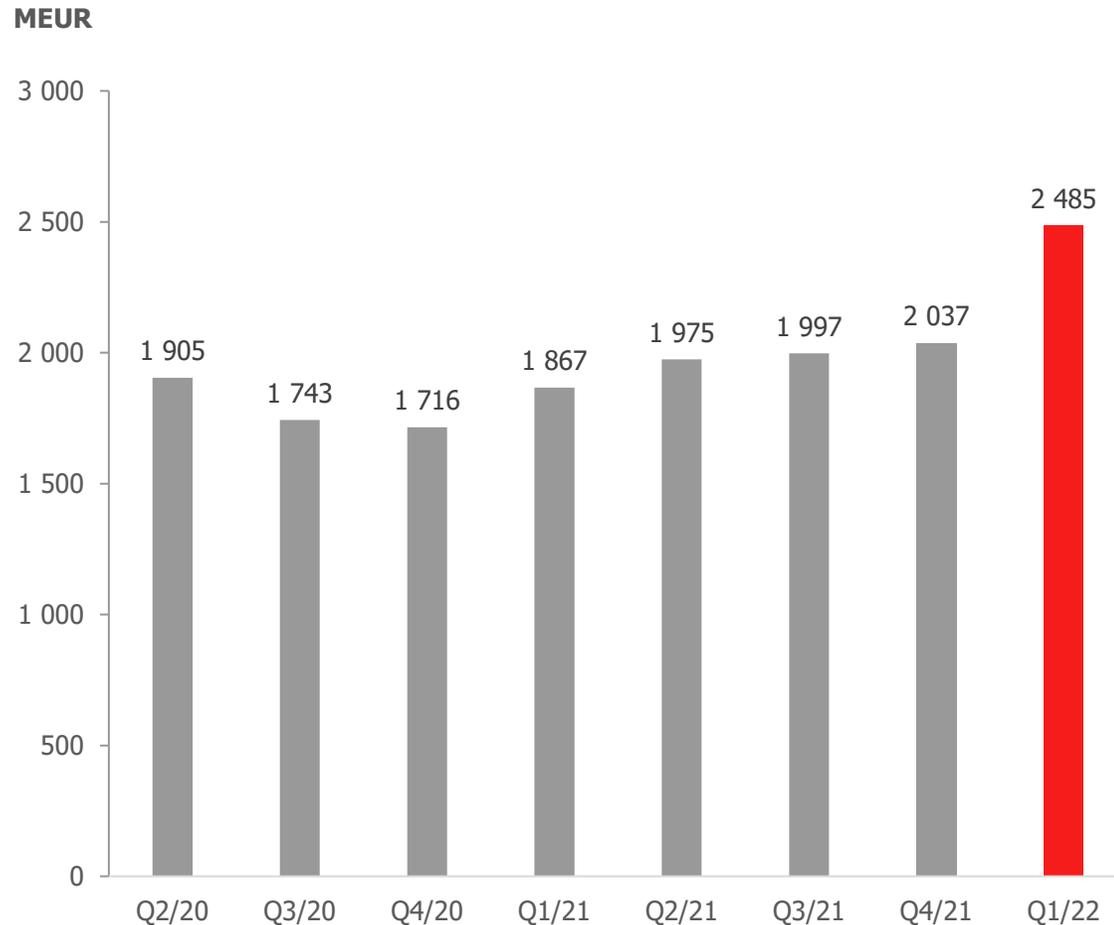
Group sales by business area



Group sales by region

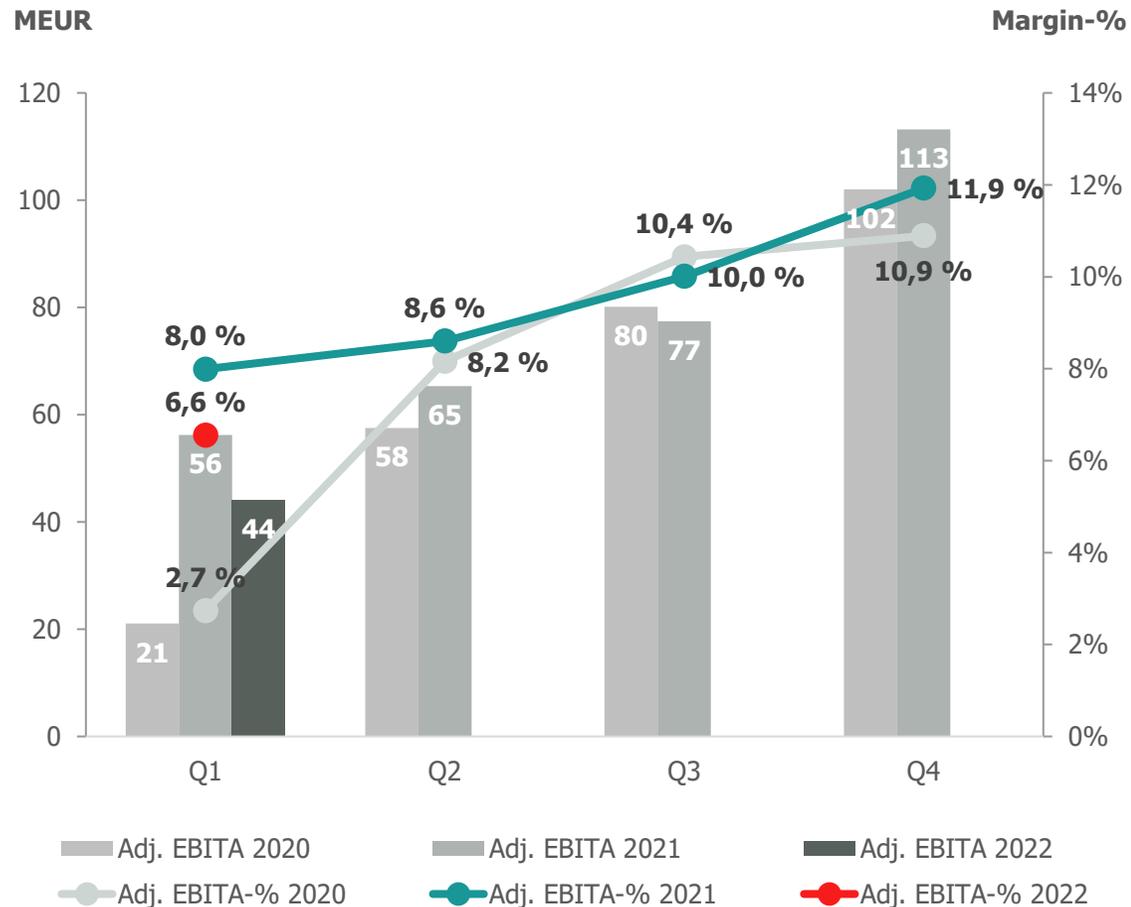


Q1/22 Group order book



- The value of the order book increased 33.1% to EUR 2,485.2 million (1,866.7)
- On a comparable currency basis, the order book increased 30.7%
- Order book increased in Service (55.8%), Industrial Equipment (28.9%) and Port Solutions (30.0%)

Q1/22 Group adjusted EBITA



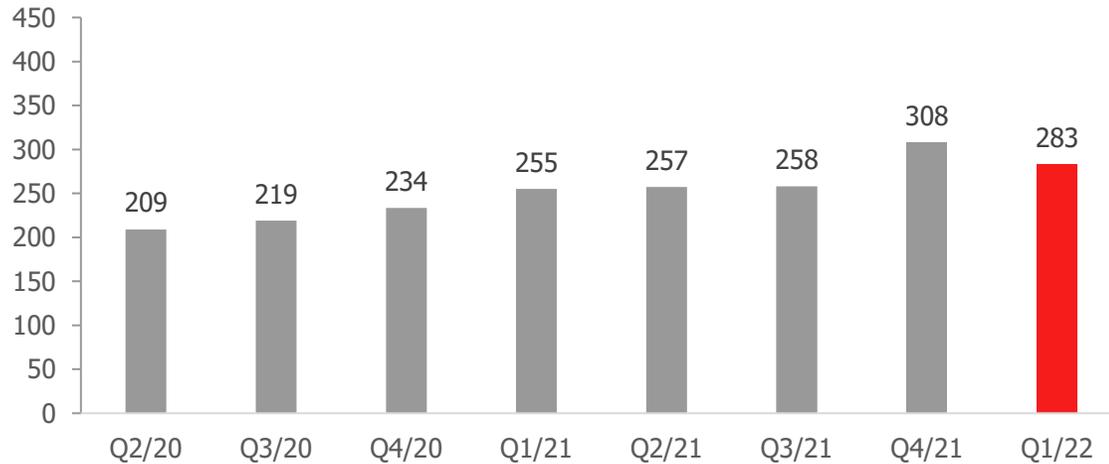
- Group adjusted EBITA decreased to EUR 44.1 million (56.2), 6.6% of sales (8.0)
- The decrease in the Group adjusted EBITA margin was mainly attributable to lower sales, and cost inflation in Industrial Equipment
- Gross margin improved on a year-on-year basis



Service

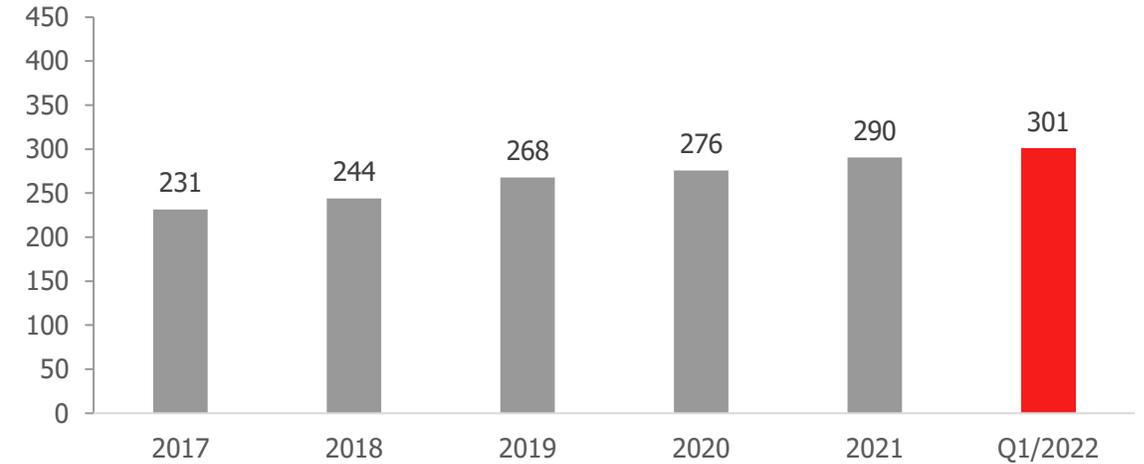
Q1/22 Service order intake and agreement base value

Service order intake, MEUR



- Orders received increased 10.9% to EUR 283.1 million (255.2). On a comparable currency basis, orders received increased 6.9%
- Both field service orders and parts orders increased
- Order intake increased in the Americas and EMEA but decreased in APAC

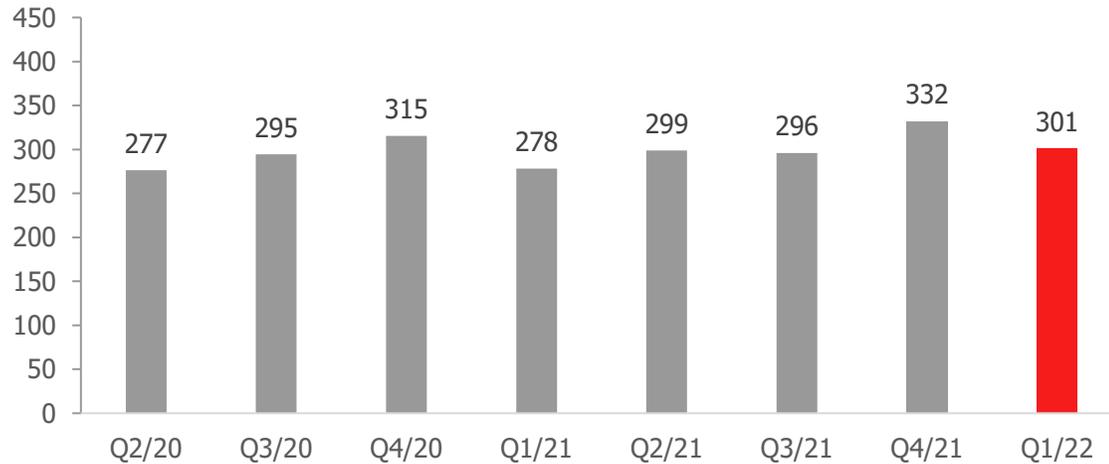
Service agreement base value, MEUR



- Year-on-year, the annual value of the agreement base increased 6.0% to EUR 300.7 million (283.6). On a comparable currency basis, the annual value of the agreement base increased 2.6%
- Sequentially, the annual value of the agreement base increased 3.5% on a reported basis and 1.7% on a comparable currency basis

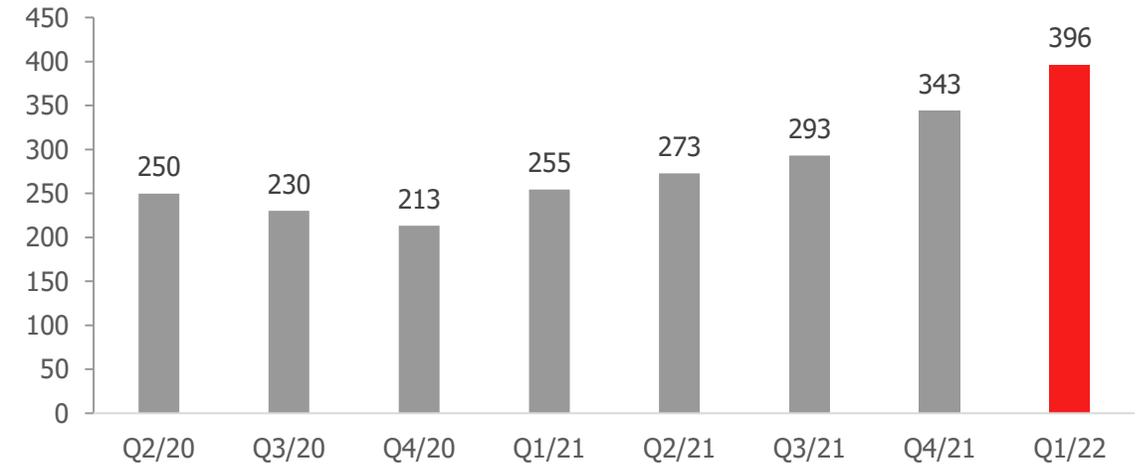
Q1/22 Service sales and order book

Service sales, MEUR



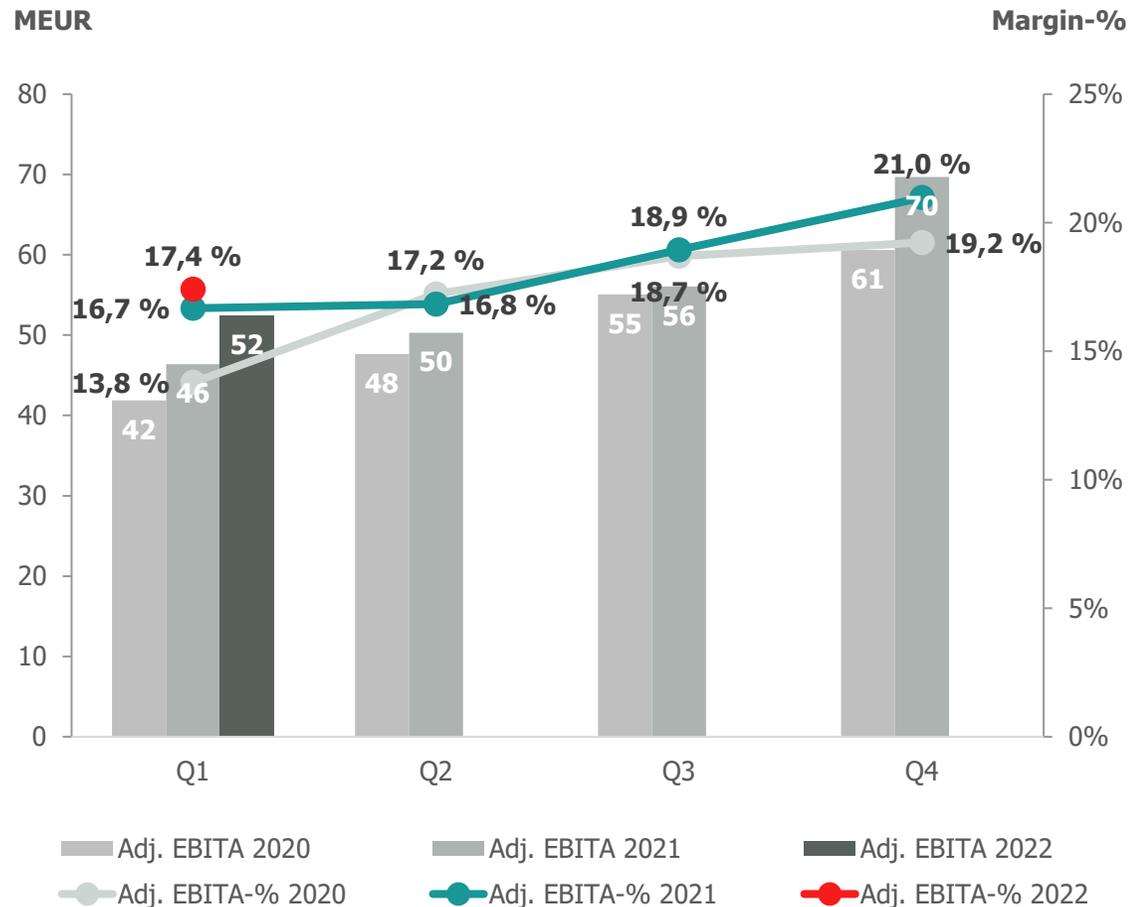
- Sales increased 8.2% to EUR 301.1 million (278.3)
- On a comparable currency basis, sales increased 4.5%
- Both field service sales and parts sales increased
- Sales increased in the Americas, EMEA and APAC

Service order book, MEUR



- The order book increased 55.8% year-on-year to EUR 396.4 million (254.5)
- On a comparable currency basis, the order book increased 50.0%

Q1/22 Service adjusted EBITA



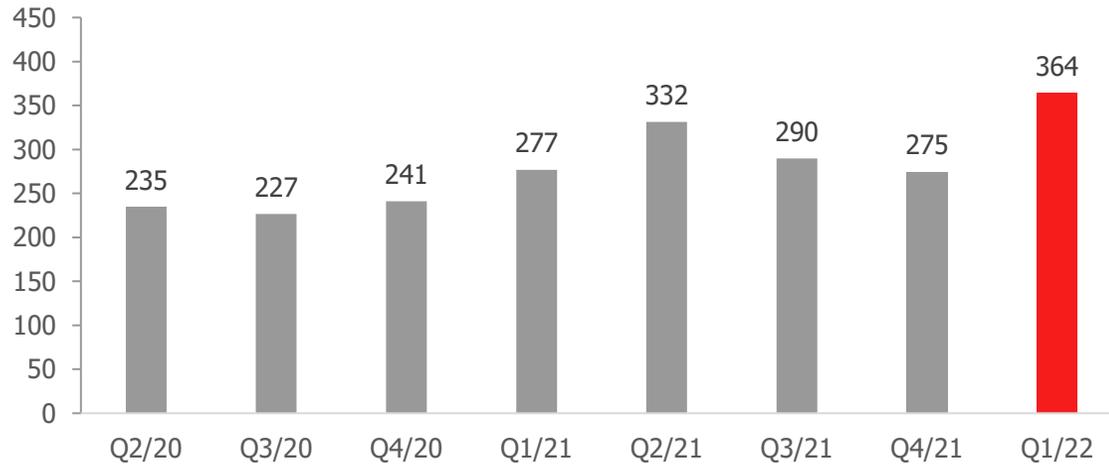
- The adjusted EBITA was EUR 52.4 million (46.4) and the adjusted EBITA margin 17.4% (16.7)
- The increase in the adjusted EBITA margin was mainly attributable to sales growth and successful cost management
- Gross margin stayed approximately the same on a year-on-year basis



Industrial Equipment

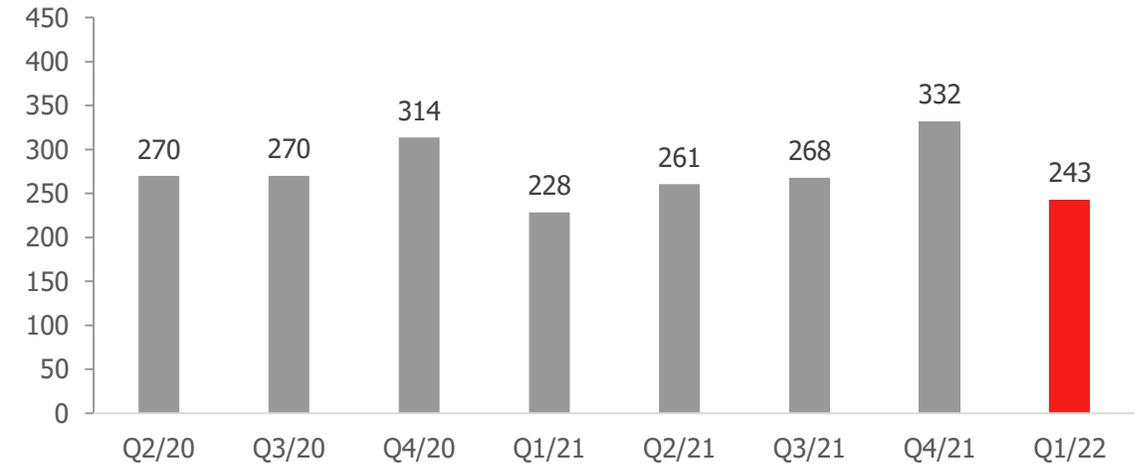
Q1/22 Industrial Equipment order intake and sales

Industrial Equipment order intake, MEUR



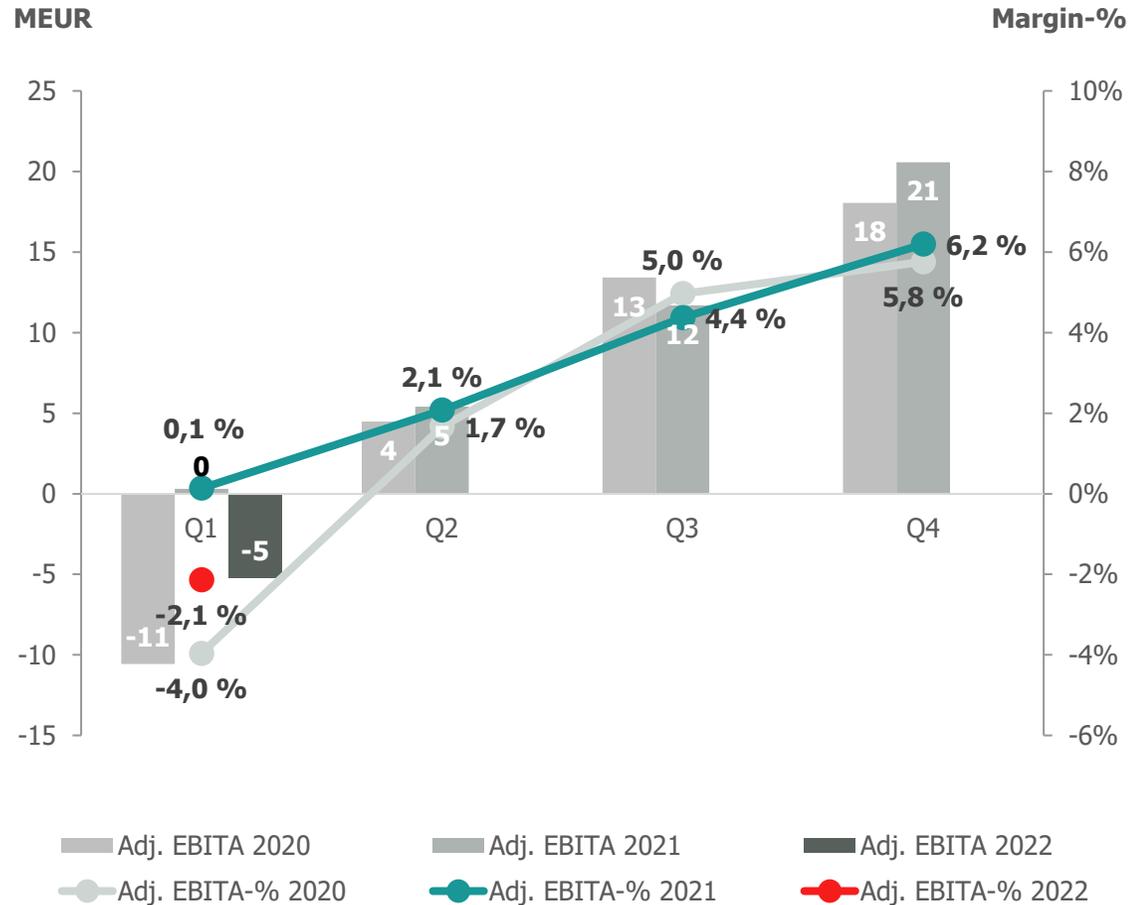
- Orders received totaled EUR 364.1 million (276.7), corresponding to an increase of 31.6%
- External orders received increased 35.1% on a reported basis and 31.6% on a comparable currency basis
- Order intake increased in standard cranes, process cranes and components
- Orders received increased in the Americas, EMEA and APAC
- Order intake was negatively impacted by orders written off due to the impact of the war in Ukraine

Industrial Equipment sales, MEUR



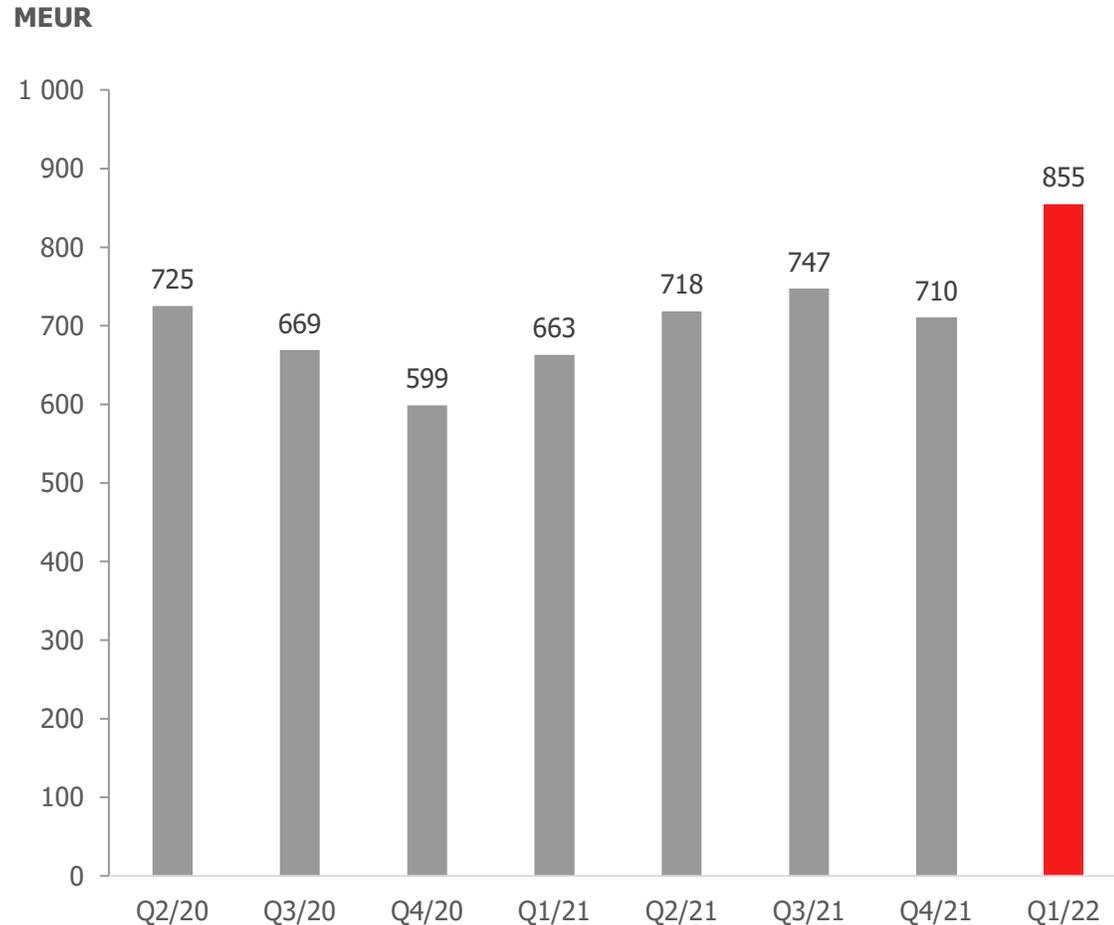
- Sales increased 6.4% to EUR 243.1 million (228.4)
- External sales increased 2.0% on a reported basis but decreased 1.5% on a comparable currency basis
- Sales increased in standard cranes and components but decreased in process cranes
- Sales increased in the Americas but decreased in EMEA and APAC
- The sales decrease in EMEA was attributable to revenue recognition reversal due to the impact of the war in Ukraine

Q1/22 Industrial Equipment adjusted EBITA



- The adjusted EBITA was EUR -5.2 million (0.3) and the adjusted EBITA margin -2.1% (0.1)
- The decrease in the adjusted EBITA margin was mainly attributable to cost inflation and delayed sales
- Gross margin decreased on a year-on-year basis

Q1/22 Industrial Equipment order book



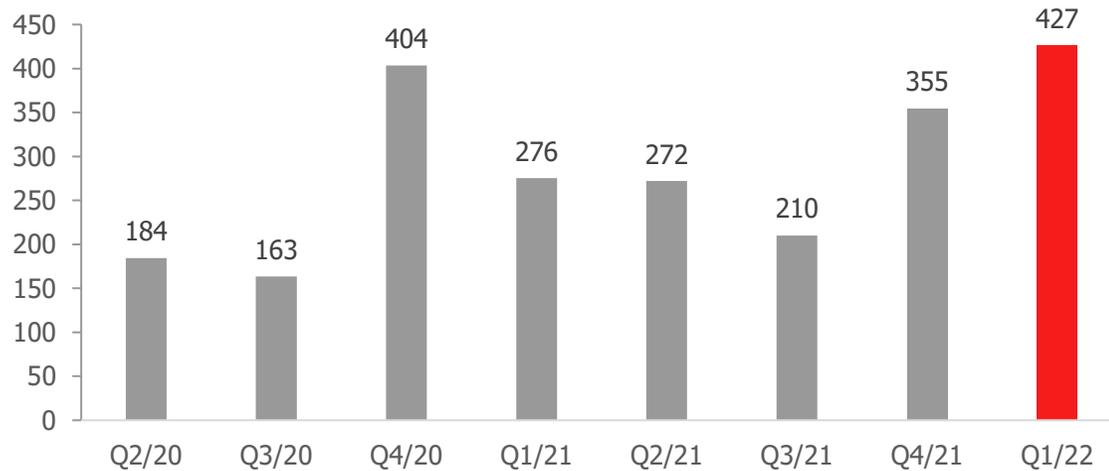
- The order book increased 28.9% year-on-year to EUR 854.8 million (663.2)
- On a comparable currency basis, the order book increased 24.4%



Port Solutions

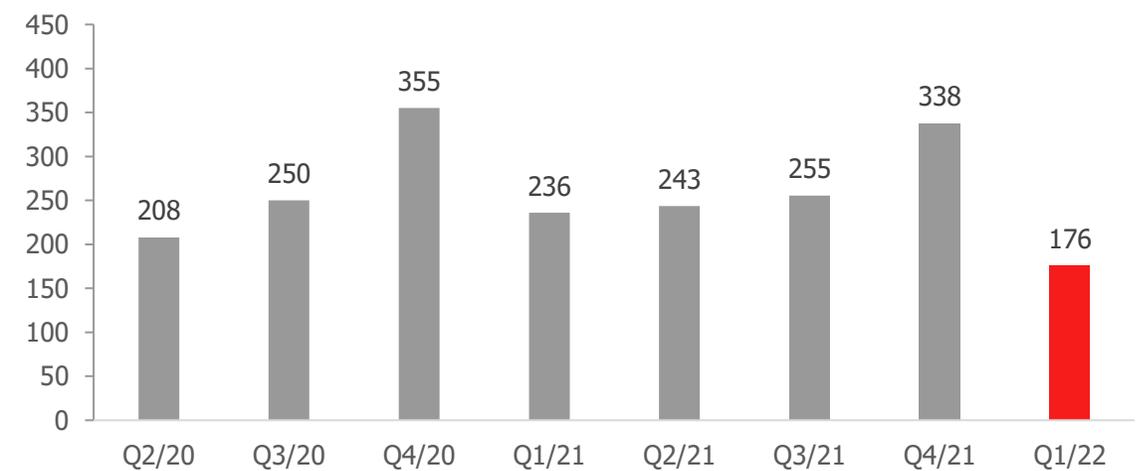
Q1/22 Port Solutions order intake and sales

Port Solutions order intake, MEUR



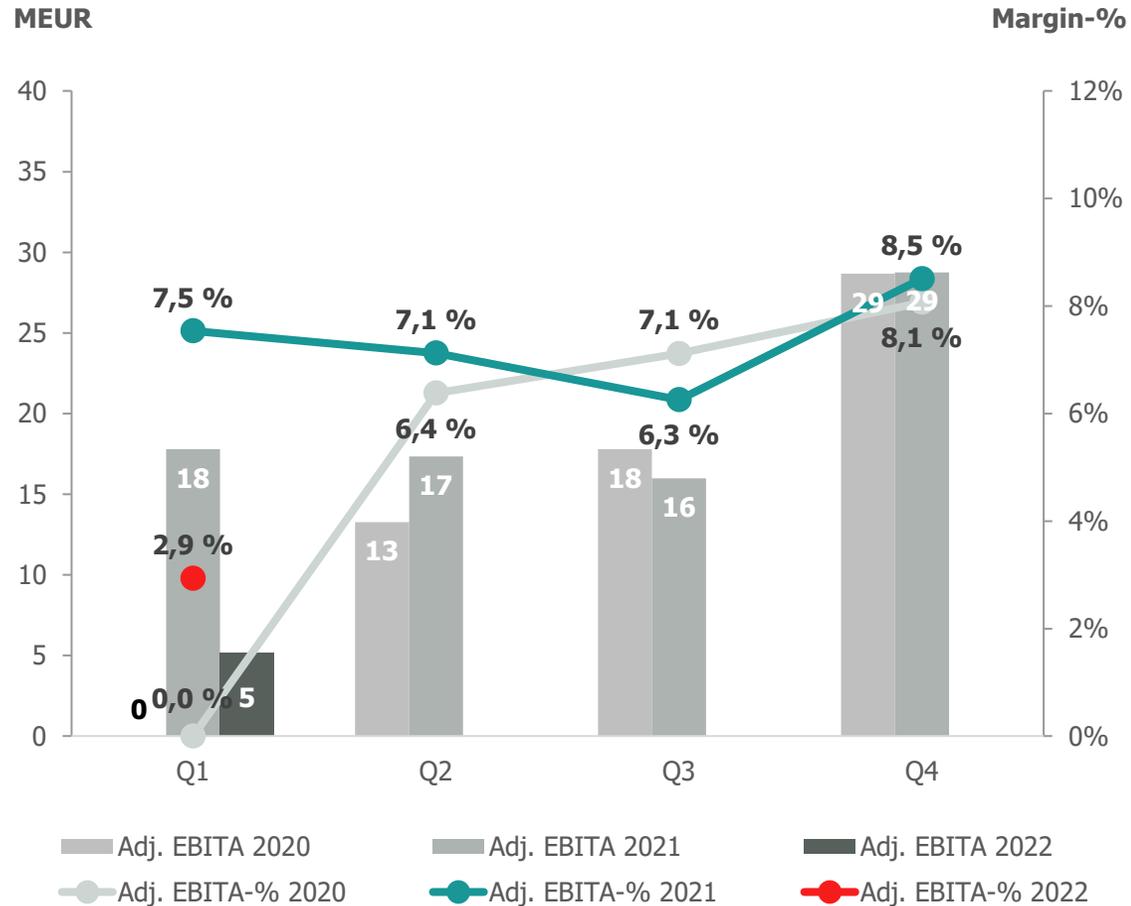
- Orders received totaled EUR 426.6 million (275.5), representing an increase of 54.8%. On a comparable currency basis, orders received increased 55.1%
- Orders received increased in the Americas, EMEA and APAC
- Order intake was negatively impacted by orders written off due to the impact of the war in Ukraine

Port Solutions sales, MEUR



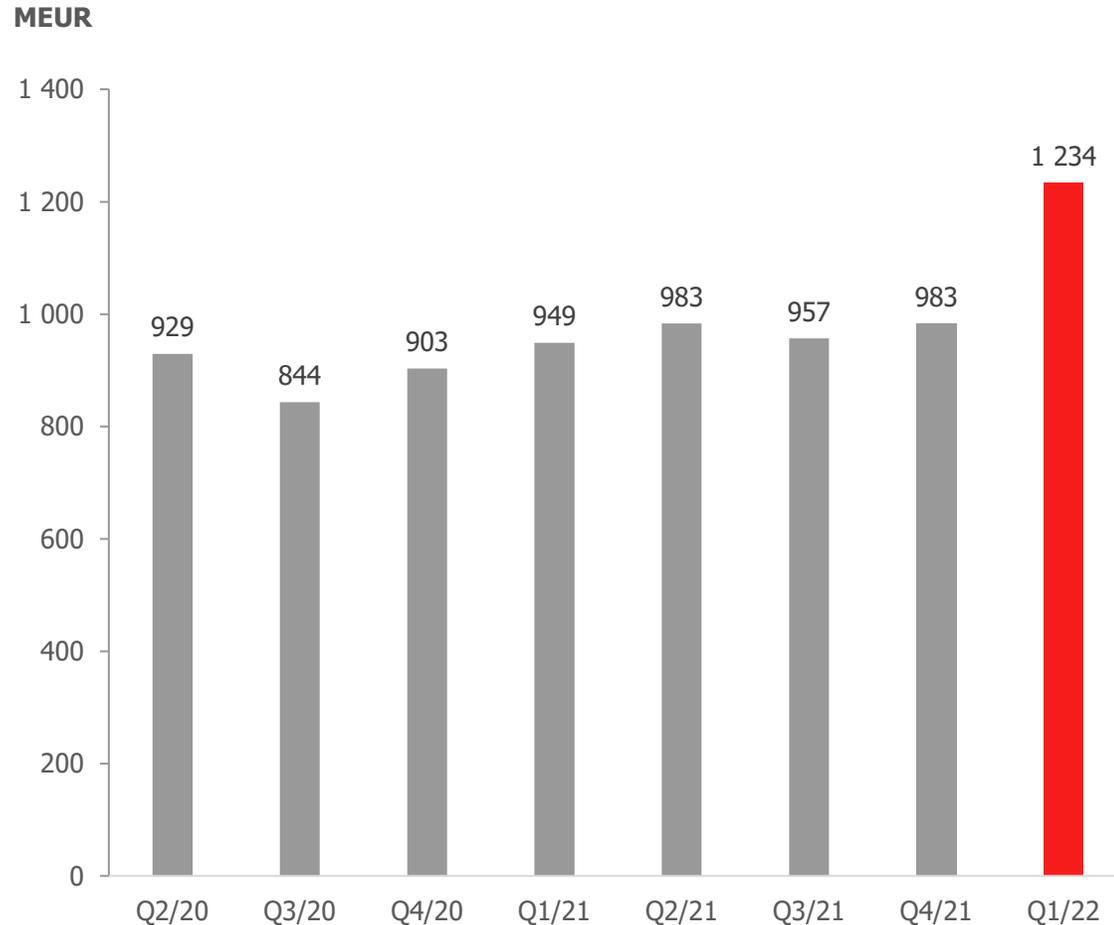
- Sales decreased 25.4% to EUR 176.0 million (236.0). On a comparable currency basis, sales decreased 25.3%
- Sales was partly negatively impacted by revenue recognition reversal due to the impact of the war in Ukraine

Q1/22 Port Solutions adjusted EBITA



- The adjusted EBITA was EUR 5.2 million (17.8) and the adjusted EBITA margin 2.9% (7.5)
- The decrease in the adjusted EBITA margin was mainly attributable to lower sales
- The comparison period included a provision release of EUR 5 million
- Gross margin improved on a year-on-year basis

Q1/22 Port Solutions order book



- The order book increased 30.0% year-on-year to EUR 1,233.9 million (949.0)
- On a comparable currency basis, the order book increased 29.9%



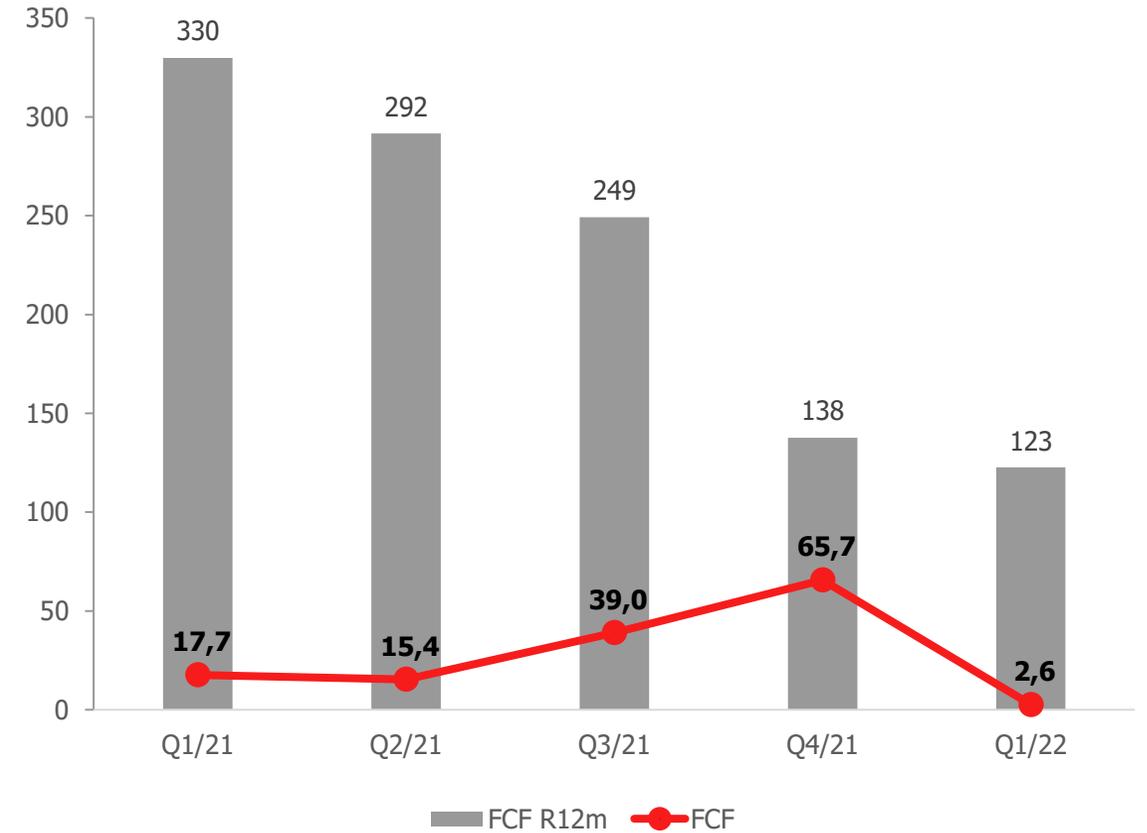
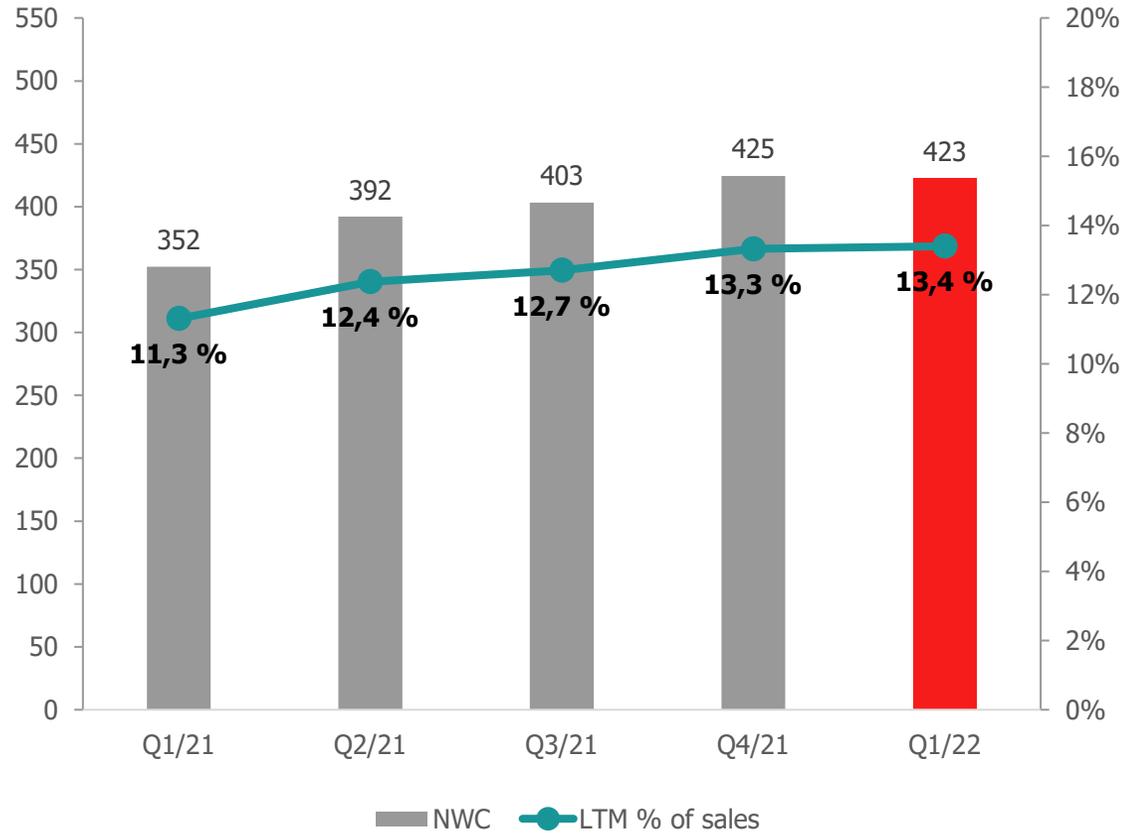
Cash Flow and Balance Sheet

Net working capital and free cash flow

Net working capital⁽¹⁾, MEUR

% of sales

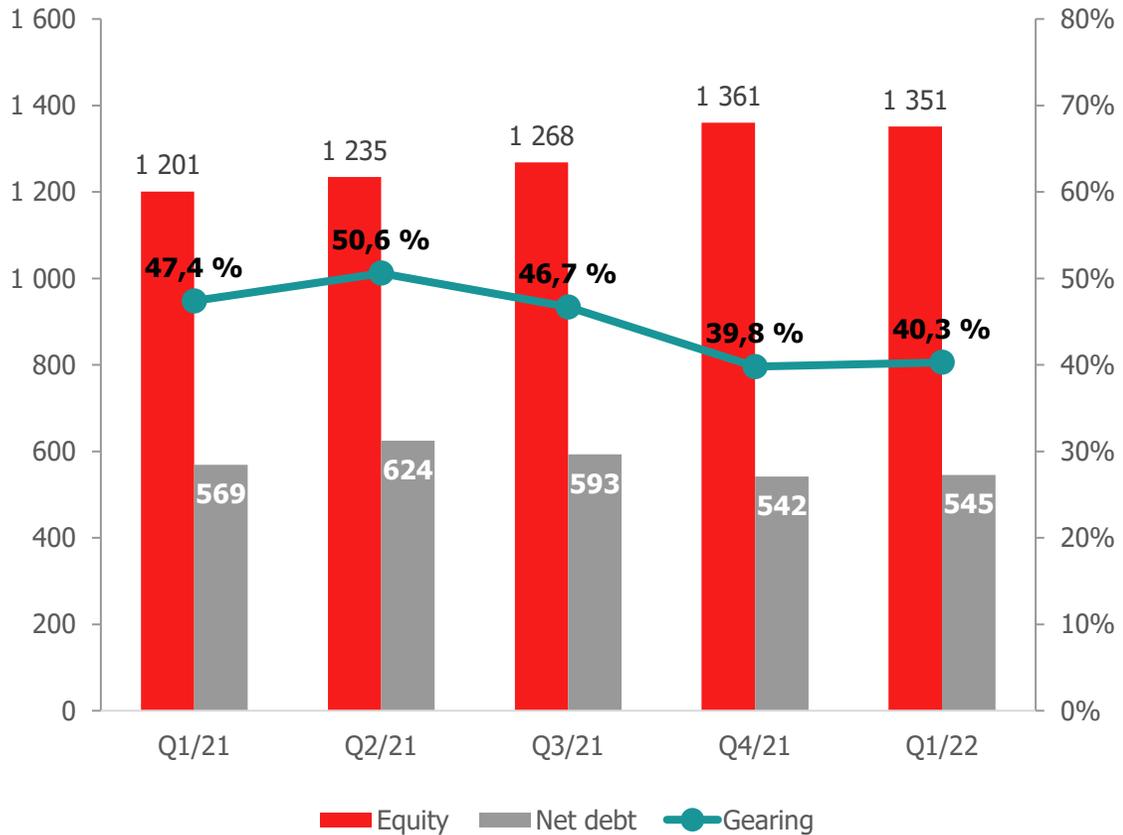
Free cash flow, MEUR



Note (1): Q1/21 excluding dividend payable of EUR 69.6 million

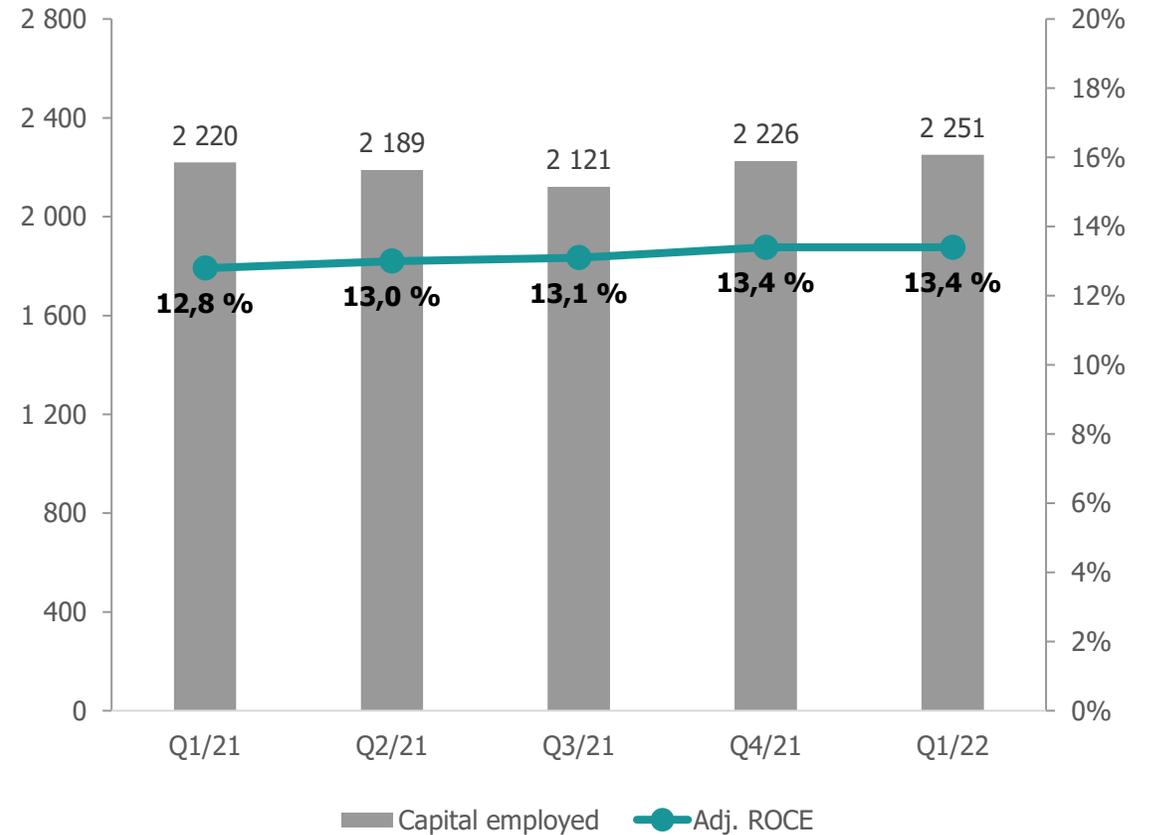
Gearing and return on capital employed

Equity and net debt, MEUR



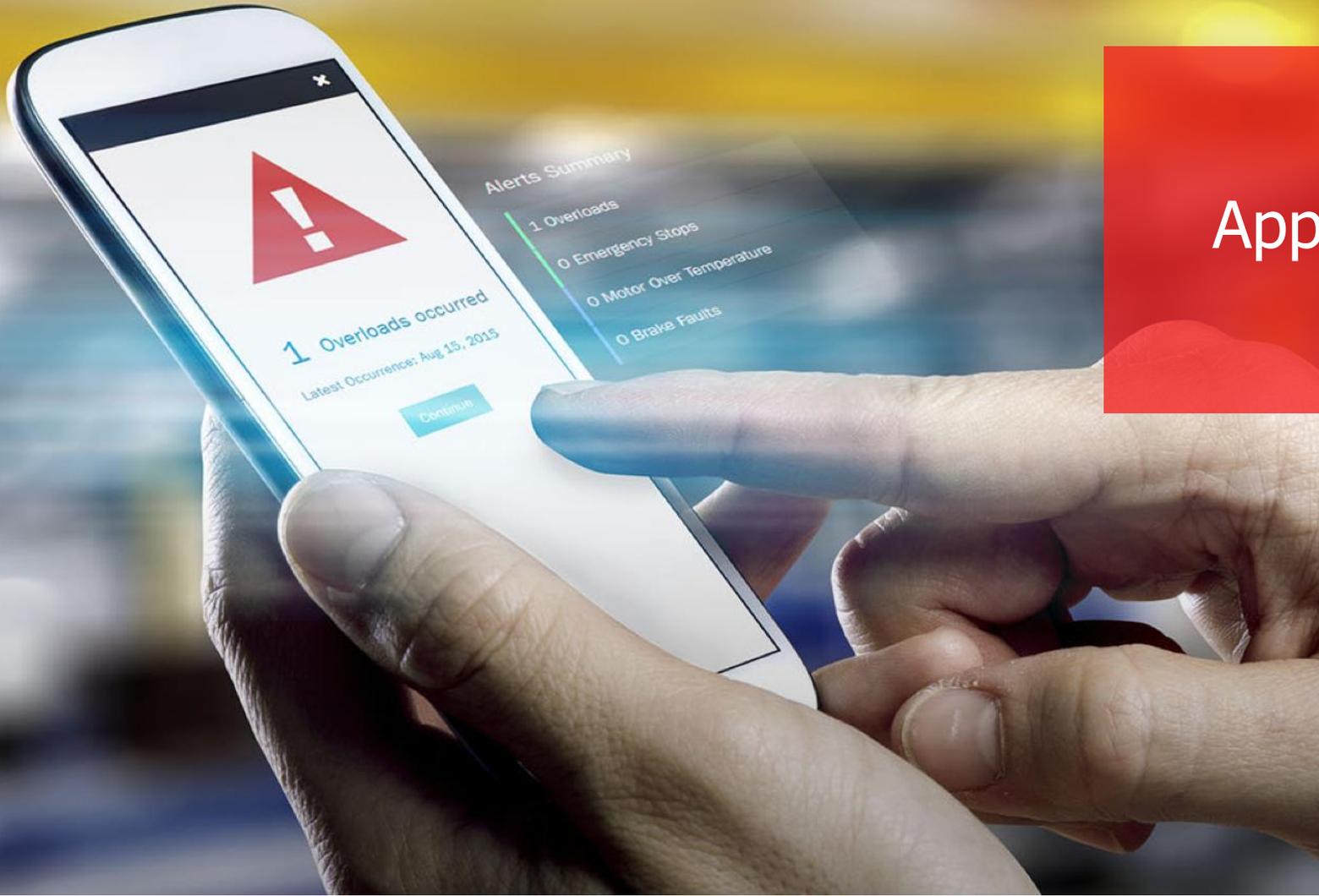
Gearing-%

Capital employed, MEUR



Return on capital employed-%

Q&A



Appendix

Strategic initiatives strengthening our core competencies



Service Revenue and Profitability Growth



Industrial Equipment Profitability Improvement



Project Management



Lean Operations



Procurement Excellence



Business Process Efficiency Improvement

Key figures by business area

Key figures	1-3/ 2022	1-3/ 2021	Change %	Change % At comparable currencies	1-12/ 2021
Service					
Orders received, MEUR	283.1	255.2	10.9	6.9	1,078.3
Service agreement base value, MEUR	300.7	283.6	6.0	2.6	290.4
Sales, MEUR	301.1	278.3	8.2	4.5	1,205.3
Adj. EBITA, MEUR	52.4	46.4	13.0		222.4
Adj. EBITA, %	17.4%	16.7%			18.5%
Industrial Equipment					
Orders received, MEUR	364.1	276.7	31.6	28.4	1,172.5
<i>of which external</i>	<i>331.9</i>	<i>245.6</i>	<i>35.1</i>	<i>31.6</i>	<i>1,033.7</i>
Sales, MEUR	243.1	228.4	6.4	3.1	1,088.7
<i>of which external</i>	<i>206.7</i>	<i>202.7</i>	<i>2.0</i>	<i>-1.5</i>	<i>960.2</i>
Adj. EBITA, MEUR	-5.2	0.3	-1797.0		38.0
Adj. EBITA, %	-2.1%	0.1%			3.5%
Port Solutions					
Orders received, MEUR	426.6	275.5	54.8	55.1	1,112.7
Sales, MEUR	176.0	236.0	-25.4	-25.3	1,072.9
Adj. EBITA, MEUR	5.2	17.8	-70.9		79.9
Adj. EBITA, %	2.9%	7.5%			7.4%

Statement of income

EUR million	1-3/ 2022	1-3/ 2021	Change %	1-12/ 2021
Sales	672.1	704.0	-4.5	3,185.7
Other operating income	1.1	2.7		11.3
Materials, supplies and subcontracting	-283.9	-282.2		-1,413.0
Personnel cost	-273.0	-261.0		-1,023.5
Depreciation and impairments	-31.8	-31.3		-120.1
Other operating expenses	-104.0	-94.8		-420.4
Operating profit	-19.5	37.5	-152.1	220.0
Share of associates' and joint ventures' result	0.0	0.1		0.3
Financial income	6.1	16.2		28.6
Financial expenses	-15.9	-27.2		-56.4
Profit before taxes	-29.4	26.6	-210.3	192.5
Taxes	8.1	-8.3		-45.1
Profit for the period	-21.3	18.4	-215.9	147.4

Balance sheet

EUR million	31 Mar 2022	31 Mar 2021
Non-current assets	2,006.3	2,041.0
Goodwill	1,023.3	1,019.9
Intangible assets	494.4	525.5
Property, plant and equipment	334.4	339.9
Other	154.2	155.7
Current assets	1,981.4	1,838.6
Inventories	849.5	690.1
Accounts receivable	452.9	437.1
Receivables and other current assets	327.3	263.7
Cash and cash equivalents	351.6	447.6
Assets held for sale	0.0	0.0
Total Assets	3,987.7	3,879.6

EUR million	31 Mar 2022	31 Mar 2021
Total Equity	1,351.5	1,200.8
Non-current liabilities	895.5	1,320.1
Interest-bearing liabilities	446.8	854.9
Other long-term liabilities	286.2	303.7
Other	162.6	161.5
Current liabilities	1,740.7	1,358.6
Interest-bearing liabilities	452.9	163.8
Advance payments received	473.1	328.8
Accounts payable	268.4	224.4
Provisions	103.0	129.8
Other current liabilities	443.4	511.8
Liabilities directly attributable to assets held for sale	0.0	0.0
Total Equity and Liabilities	3,987.7	3,879.6

Cash flow statement

EUR million	1-3/ 2022	1-3/ 2021	1-12/ 2021
Operating income before change in net working capital	15.3	69.7	346.0
Change in net working capital	29.2	-32.2	-99.0
Cash flow from operations before financing items and taxes	44.5	37.5	247.0
Financing items and taxes	-31.3	-14.5	-78.6
Net cash from operating activities	13.1	23.0	168.4
Net cash used in investing activities	-10.5	-5.4	-30.7
Cash flow before financing activities	2.6	17.7	137.7
Net cash used in financing activities	23.4	-165.7	-417.0
Translation differences in cash	4.9	3.8	8.1
Change of cash and cash equivalents	30.9	-144.3	-271.2
Free cash flow	2.6	17.7	137.7

Key figures

EUR million	1-3/ 2022	1-3/ 2021	Change %	1-12/ 2021
Earnings per share, basic (EUR)	-0.26	0.23	-212.9	1.86
Earnings per share, diluted (EUR)	-0.26	0.23	-212.3	1.85
Return on capital employed, %, Rolling 12 Months (R12M)	7.1	8.9	-20.2	9.3
Return on equity, %, Rolling 12 Months (R12M)	8.4	10.6	-20.8	11.3
Equity per share (EUR)	16.98	15.06	12.7	17.08
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	1.4	1.5	-6.7	1.4
Equity to asset ratio, %	38.5	33.8	13.9	38.9
Investments total (excl. acquisitions), EUR million	6.3	7.5	-15.7	49.8
Average number of personnel during the period	16,577	16,738	-1.0	16,625
Average number of shares outstanding, basic	79,134,459	79,134,459	0.0	79,134,459
Average number of shares outstanding, diluted	79,544,776	79,134,459	0.5	79,606,960
Number of shares outstanding	79,134,459	79,134,459	0.0	79,134,459



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